



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/790,469	03/01/2004	Scott Mueller	128575-07046024	9951
26565	7590	01/06/2010		
MAYER BROWN LLP				EXAMINER
P.O. BOX 2828				FISHER, PAUL R
CHICAGO, IL 60690			ART UNIT	PAPER NUMBER
			3689	
			NOTIFICATION DATE	DELIVERY MODE
			01/06/2010	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

ipdocket@mayerbrown.com

Office Action Summary	Application No. 10/790,469	Applicant(s) MUELLER, SCOTT
	Examiner PAUL R. FISHER	Art Unit 3689

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
 - If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
 - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 26 October 2009.
- 2a) This action is FINAL. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-17 and 26 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-17 and 26 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on 01 March 2004 is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) Notice of References Cited (PTO-892)
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
 3) Information Disclosure Statement(s) (PTO/SB/06)
 Paper No(s)/Mail Date _____
- 4) Interview Summary (PTO-413)
 Paper No(s)/Mail Date _____
- 5) Notice of Informal Patent Application
 6) Other: _____

DETAILED ACTION

1. Amendment received on October 26, 2009 has been acknowledged. Claims 18-25 are withdrawn and claim 26 has been added. Claims 1-17 and 26 are currently pending and have been considered below.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1-17 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

4. Claims 1-17 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: It is unclear to the Examiner how the information being collected is used in the calculations. Further it is unclear how the various calculations are tied together and what they are used for. Currently the method claims collecting, calculating, determining and calculating of various forms of data. However, the claims fails to meet the scope of the preamble since no evaluation has been performed using the calculations and there was no evaluation has been made on the business opportunities. Simply put the claims as currently written only require the collection of information and calculations that aren't being used. The applicant claims that the calculation of the maximum expected number is then used to determine a tire

sales goal. The Examiner asserts that the sales goal is based on the maximum but the maximum is not used to determine it. That is to say one of ordinary skill in the art would recognize that the system calculates maximum sales and then the sales goal is chosen by picking any number between zero and the maximum. There is no guidance as to how this is chosen only that it has a maximum.

Further in claims 3 and 13 introduce new data but don't explain how it changes the limitations mentioned in the associated independent claims. Further it does not disclose how these variables are used in the calculation only that they are in the calculation.

Claims 6, 8 15 and 17, introduce known calculations but fail to describe how these calculations tie to the previous limitations of the independent claims. Further it does not disclose how these variables are used in the calculation only that they are in the calculation.

5. In claim 10, the term "warranty factor" renders the claim indefinite. It is unclear to the Examiner what a warranty factor is and how one of ordinary skill would know how to calculate this factor. For the purposes of examination the Examiner is taking this factor to be the cost of paying for warranty claims. The applicant has pointed to paragraph [0065] of the originally filed specification for this limitation, however this paragraph fails to state any mention of a "warranty factor", and thus would not lead one of ordinary skill in the art to understand its meaning.

6. In claim 11, the term "loyalty variable" renders the claim indefinite. It is unclear to the Examiner what a loyalty variable is and how one of ordinary skill would know how to

calculate this variable. For the purpose of examination the Examiner is taking this variable to determine how often a customer will remain with the service provider. The applicant has pointed to paragraph [0068] of the originally filed specification for this limitation, however this paragraph fails to state any mention of a "loyalty variable", and thus would not lead one of ordinary skill in the art to understand its meaning.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

8. **Claims 1-5, 7, and 12-14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Burris et al. (US 2003/0208394 A1) hereafter Burris, in view of James H. Byrd: "Manage Your Inventory in Excel" (August 10, 2002) hereafter Byrd.**

As per claim 1, Burris discloses a computer-implemented method of evaluating potential sales and business opportunities relating to establishing sales by calculating metrics that include a projected sales (Page 1, paragraph [0001]; discloses that the invention is directed toward tracking and forecasting sales) comprising:

collecting operational data from the service center (retail outlet) and storing the operational data in a computer-readable memory, wherein the operational data

comprises an average number of repair order requests (average sales) per time period, a number of days the service center is open per time period and identification of one or more carlines serviced (products) (Page 1, paragraph [0003]; discloses that it is old and well known to collect various forms of data, from various sources in order to predict potential sales, Page 1, paragraph [0015]; discloses that various sources of data are obtained, Page 3, paragraph [0028]; discloses that the information can be created based on the needs of the specific user. While the information gathered is not the same since no specific industry is mentioned in Burris, the Examiner asserts that the information itself would have been obvious to one of ordinary skill in the tire industry since it would have been obvious to know the number of requests, the hours of operation and the different products being sold all of this information would have been needed in calculating the potential sales);

calculating a maximum expected number of tires (products sold) to be sold for each carline per time period using one or more data processors and storing the maximum expected number in a computer-readable memory, wherein the maximum expected number is equal to the average number of repair order requests per time period multiplied by the number of days the service center is open per time period multiplied by four (given that typically all four tires are replaced) multiplied by a tire tread index (which is the percentage of vehicles that are being serviced by an existing dealership service center that are in need of new tires, or the Potential customer base this is an arbitrary value or percentage), wherein the tire tread index varies according to carline and represents a percentage of cars serviced by the service center which have a

tire tread depth less than a treat depth threshold (Page 2, paragraph [0025]; discloses that the invention can forecast information such as future sales or projected sales as disclosed above various information is collected to calculate maximum expected sales in this case it is average number of products sold during a time period, which could be a year or a day if it is a year then it would be the same as the average number times the number of days in operation, multiplied by the number of products sold with tires it assumes that customers are likely to replace all four tires and the tread index which is a percentage in this case any percentage that reflects the possible trends such as tire wear);

determining a tire sales goal for each carline (product line), the tire sales goal being a fraction of the maximum expected number using the one or more data processors and storing the tire sales goal in a computer-readable memory (Page 3, paragraph [0032]; discloses that the system can automatically adjust a product schedule and it would obvious that the sales goal can be determined, further since it is a fraction it could be equal to the maximum projected sales or any other portion of those sales, no guidance is given at this point to show how one of ordinary skill would make this determination); and

calculating the projected tire sales for the automotive service center using the one or more data processors by adding an average retail tire price for a tire associated with a carline to a charge for services involved in mounting and balancing a tire to generate sum, multiplying the sum by the tire sales goal for the carline, and scaling to the time period to generate a tire sales for a carline, and summing the tires sales for

each carline to determine a total projected tire sales for the automotive service center and storing the projected tire sales for the automotive service center in a computer-readable memory (Calculating the projected sales) (Page 2, paragraph [0025]; discloses that the invention can forecast information such as future sales or projected sales in this case it is average number of products sold during a time period, which could be a year or a day if it is a year then it would be the same as the average number times the number of days in operation, multiplied by the number of products sold with tires it assumes that customers are likely to replace all four tires and the tread index which is a percentage in this case any percentage that reflects the possible trends such as tire wear).

Burris fails to explicitly disclose that the calculation is for maximum sales.

Byrd, which discloses inventory management, teaches that it is old and well known to track and calculate Maximum sales (Page 3; teaches that part of tracking inventory is knowing sales volume like average sales, maximum sales, what is on hand, etc. all of this information would be necessary for calculating projected sales. Further Byrd page 3 recites that the system keeps and tracks Average sales, which is the sells during a typical ordering period. From this it would have been obvious to show what the average sales per day are which would be the sales during the operating hours of the facility. Page 4; discloses that this information is collected and stored in a computer through the use of software. Further still page 3; teaches there are safety quantity which include a risk aversion or some factor which helps assure that there is a minimum quantity at hand as stated in Byrd "you can't sell what you don't have" and the goal of

the system is to assure you have stock on hand without investing too much capital on inventory);

Therefore, from this teaching of Byrd, it would have been obvious to one skilled in the art at the time the invention to include in the system and method of Burris that the calculations would include maximum sales as taught by Byrd since these calculations are considered to be basic necessities when calculating projected sales.

The Examiner asserts that the type of data in this case information regarding the sale of tires is considered to be non-functional since the information itself fails to further limit the steps of the method in anyway. Furthermore, the type of information is considered to be non-functional descriptive material since it has little if anything to the step of the method. When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. In re Gulack, 703 F.2d at 1384-85, 217 USPQ at 403; see also Diamond v. Diehr, 450 U.S. 175, 191,209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See In re Lowry, 32 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any

patentable weight. Such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate. The Examiner asserts that the data identifying the type of information for the purchased good adds little, if anything, to the claimed structure of the system and thus does not serve as limitations on the claims to distinguish over the prior art. Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the steps is non-functional descriptive data. Except for the meaning to the human mind, the type of information gathered does not functionally relate to the substrate and thus does not change the steps of the method as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

For example if the items for sale were computers and their corresponding parts would change. The operational data would pertain to average number of sales of computers or accessories, the hours the store would be open and the different computers for sale. The Maximum sales would depend on how many computers were sold on a given night with a set number of hours open. The index could refer to the percentage of customers who might have to have their systems upgraded or replaced. By replacing the information being gathered the steps do not change and therefore the information is non-functional. The Examiner asserts that the method is merely calculating projected sales based on average price of a product for each product line the services associated with the product and the sales goal which is based off the maximum possible sales. These principles can be adapted to any industry and are no

specific to tire sales and thus the name given to the product is considered to be non-functional.

As per claim 2, the combination of Burris and Byrd teaches the above-enclosed invention, Burris further discloses that it is old and well known that the time period is one year (Page 1, paragraph [0004]; discloses that it is old and well known to run reports yearly).

As per claims 3 and 13, the combination of Burris and Byrd teaches the above-enclosed invention, while the combination of Burris and Byrd fails to explicitly disclose that the operational data further includes an employee pay rate per hour, wherein a net profit is calculated based on the projected tire sales for the automotive service center and the employee pay rate per hour. However the Examiner asserts that this information would have been obvious to anyone working in the field of tire sales would take this information into consideration while projecting future sales.

Further as stated in the above example given in claim 1, when selling computers the information gather could pertain to the number of new and refurbished computers the charge for diagnostic and the employee rate per hour since this information would be needed to determine the potential sales, for example if each new computer goes through a diagnostic before being sold and each system to calculate the sales one would need to calculate the price of each unit sold, and any service that would need to be performed on that system. To calculate the profits of the system the total sales would have to be determined, minus the money spent acquiring the parts and the money paid to employees. All of this information would be needed to determine projected profits.

Furthermore, the type of information is considered to be non-functional descriptive material since it has little if anything to the step of the method. When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191,209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. Such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate. The Examiner asserts that the data identifying the type of information for the purchased good adds little, if anything, to the claimed structure of the system and thus does not serve as limitations on the claims to distinguish over the prior art. Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the steps is non-functional descriptive data. Except for the meaning to the human mind, the type of information gathered does not functionally relate to the substrate and thus does not

change the steps of the method as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claims 4, 5 and 14, the combination of Burris and Byrd teaches the above-enclosed invention, while the combination of Burris and Byrd fails to explicitly disclose wherein the tire tread index is no greater than 30% or is 10% to about 15%.

However the Examiner asserts that the tire tread index could be any value the value of the index does not alter or change the method steps but rather only alters the output or final result. The Examiner asserts that this information is considered to be non-functional descriptive material. When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191,209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. Such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate. The Examiner asserts

that the data identifying the type of information for the purchased good adds little, if anything, to the claimed structure of the system and thus does not serve as limitations on the claims to distinguish over the prior art. Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the steps is non-functional descriptive data. Except for the meaning to the human mind, the type of information gathered does not functionally relate to the substrate and thus does not change the steps of the method as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 7, the combination of Burris and Byrd teaches the above-enclosed invention, while the combination of Burris and Byrd fails to explicitly disclose where the existing service center is affiliated with a car dealership that sells new, used, and certified pre-owned cars.

However the Examiner asserts that the fact that the service center is affiliated with a car dealership that sells new, used, and certified pre-owned cars is specific to the tire industry but fails to limit the steps of the method in anyway. The Examiner asserts that this information is considered to be non-functional descriptive material. When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. In re Gulack, 703 F.2d at 1384-85, 217 USPQ at 403; see also Diamond v. Diehr, 450 U.S. 175, 191,209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to

Art Unit: 3689

descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. Such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate. The Examiner asserts that the data identifying the type of information for the purchased good adds little, if anything, to the claimed structure of the system and thus does not serve as limitations on the claims to distinguish over the prior art. Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the steps is non-functional descriptive data. Except for the meaning to the human mind, the type of information gathered does not functionally relate to the substrate and thus does not change the steps of the method as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 12, Burris discloses a computer-implemented method of evaluating potential sales and business opportunities relating to establishing sales by calculating metric that include a business opportunity metric (Page 1, paragraph [0001]; discloses that the invention is directed toward tracking and forecasting sales) comprising:
collecting operational data from the service center (retail outlet) and storing the operational data in a computer-readable memory, wherein the operational data

comprises an average number of repair order requests (average sales) per time period, a number of days the service center is open per time period, and an identification of one or more carlines serviced (products) (Page 1, paragraph [0003]; discloses that it is old and well known to collect various forms of data, from various sources in order to predict potential sales, Page 1, paragraph [0015]; discloses that various sources of data are obtained, Page 3, paragraph [0028]; discloses that the information can be created based on the needs of the specific user. While the information gathered is not the same since no specific industry is mentioned in Burris, the Examiner asserts that the information itself would have been obvious to one of ordinary skill in the tire industry since it would have been obvious to know the number of requests, the hours of operation and the different products being sold all of this information would have been needed in calculating the potential sales);

calculating a maximum expected number of tires (products sold) to be sold for each carline per time period using one or more data processors and storing the maximum expected number in a computer-readable memory, wherein the maximum expected number is equal to the average number of repair order requests per time period multiplied by the number of days the service center is open per time period multiplied by four (given that typically all four tires are replaced) multiplied by a tire tread index (which is the percentage of vehicles that are being serviced by an existing dealership service center that are in need of new tires, or the Potential customer base), wherein the tire tread index varies according to carline and represents a percentage of cars serviced by the service center which have a tire tread depth less than a tread depth

Art Unit: 3689

threshold (Page 2, paragraph [0025]; discloses that the invention can forecast information such as future sales or projected sales in this case it is average number of products sold during a time period, which could be a year or a day if it is a year then it would be the same as the average number times the number of days in operation, multiplied by the number of products sold with tires it assumes that customers are likely to replace all four tires and the tread index which is a percentage in this case any percentage that reflects the possible trends such as tire wear);

determining a tire sales goal for each carline, the tire sales goal being a fraction of the maximum expected number using the one or more data processors and storing the tire sales goal in a computer-readable memory (Page 3, paragraph [0032]; discloses that the system can automatically adjust a product schedule and it would obvious that the sales goal can be determined, further since it is a fraction it could be equal to the maximum projected sales or any other portion of those sales, no guidance is given at this point to show how one of ordinary skill would make this determination); and

calculating a projected tire sales using the one or more data processors and storing the projected tire sales in a computer-readable memory by adding an average retail tire price for tire associated with a carline to a charge for services involved in mounting and balancing a tire to generate sum, multiplying the sum by the tire sales goal for the carline, and scaling to the time period to generate a tire sales for a carline, and summing the tires sales for each carline to determine a total projected tire sales (Calculating the projected sales) (Page 2, paragraph [0025]; discloses that the invention can forecast information such as future sales or projected sales).

calculating a certified pre-owned savings associated with tire sales using the one or more data processors and storing the projected tire sales in a computer-readable memory, wherein the certified pre-owned savings is calculated by comparing a cost associated with outsourcing replacement of certified pre-owned car tires with a cost associated with internally supplying new tires to the certified pre-owned cars (Page 2, paragraph [0025]; discloses that the invention can forecast information, it would be obvious that this information could be saving about different possible outcomes); and

calculating the business opportunity metric using the one or more data processors and storing the business opportunity metric in a computer-readable memory by adding together the total projected tire sales and the certified pre-owned savings (Page 2, paragraph [0025]; discloses that the invention can forecast information, it would have been obvious to calculate different scenarios to help determine what is the best course of action in a new venture such as determining the savings associated with one choice compared to another the information itself being about a tire sales adds little if anything to claimed method).

Burris fails to explicitly disclose that the calculation is for maximum sales. Byrd, which discloses inventory management, teaches that it is old and well known to track and calculate Maximum sales (Page 3; teaches that part of tracking inventory is knowing sales volume like average sales, maximum sales, what is on hand, etc. all of this information would be necessary for calculating projected sales. Further Byrd page 3 recites that the system keeps and tracks Average sales, which is the sells during a typical ordering period. From this it would have been obvious to show what the

Art Unit: 3689

average sales per day are which would be the sales during the operating hours of the facility. Page 4; discloses that this information is collected and stored in a computer through the use of software. Further still page 3; teaches there are safety quantity which include a risk aversion or some factor which helps assure that there is a minimum quantity at hand as stated in Byrd "you can't sell what you don't have" and the goal of the system is to assure you have stock on hand with out investing too much capital on inventory);

Therefore, from this teaching of Byrd, it would have been obvious to one skilled in the art at the time the invention to include in the system and method of Burris that the calculations would include maximum sales as taught by Byrd since these calculations are considered to be basic necessities when calculating projected sales.

The Examiner asserts that the type of data in this case information regarding the sale of tires is considered to bee non-functional since the information itself fails to further limit the steps of the method in anyway. Furthermore, the type of information is considered to be non-functional descriptive material since it has little if anything to the step of the method. When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. In re Gulack, 703 F.2d at 1384-85, 217 USPQ at 403; see also Diamond v. Diehr, 450 U.S. 175, 191,209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional

Art Unit: 3689

relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. Such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate. The Examiner asserts that the data identifying the type of information for the purchased good adds little, if anything, to the claimed structure of the system and thus does not serve as limitations on the claims to distinguish over the prior art. Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the steps is non-functional descriptive data. Except for the meaning to the human mind, the type of information gathered does not functionally relate to the substrate and thus does not change the steps of the method as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

For example if the items for sale were computers and their corresponding parts would change. The operational data would pertain to average number of sales of computers or accessories, the hours the store would be open and the different computers for sale. The Maximum sales would depend on how many computers were sold on a given night with a set number of hours open. The index could refer to the percentage of customers who might night to have their systems upgraded or replaced. By replacing the information being gathered the steps do not change and therefore the

information is non-functional. The savings could come from outsourcing repairs to refurbished computers which could have out dated elements and require more investment then current systems.

9. Claims 6, 8-11, and 15-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Burris et al. (US 2003/0208394 A1) hereafter Burris, in view of Byrd, further in view of Examiner's Official Notice.

As per claim 6 and 15, the combination of Burris and Byrd teaches the above-enclosed invention, while Burris does disclose making various calculations based on the information being gathered (Page 2, paragraph [0025]; discloses that the invention can forecast information such as future sales or projected sales). However, it fails to explicitly disclose calculating total savings, net profit, warranty costs, capital investment, return on investment, and total equipment costs using the projected tire sales for the automotive service center.

However, the Examiner is taking official notice that it is old and well known to make various calculations and that the calculations themselves are not novel. It is common for a company or business to calculate total savings, net profit, warranty costs, capital investment, return on investment, and total equipment costs as part of doing business. It is often required to calculate net profit for example to determine if the venture will be a profitable one, or return on investment to determine if the investment is sound and if investors will back the venture.

Therefore, from this teaching of Examiner's Official Notice, it would have been obvious to one skilled in the art at the time the invention to include in the system and

method provided by the combination of Burris and Byrd with the basic calculations taught by the Examiner's Official Notice since these calculations are considered to be basic calculations that all businesses perform to ensure that they are making a sound financial decision.

As per claims 8 and 17, the combination of Burris and Byrd teaches the above-enclosed invention, while Burris does disclose making various calculations based on the information being gathered (Page 2, paragraph [0025]; discloses that the invention can forecast information such as future sales or projected sales). However, it fails to explicitly disclose calculating of capital investment cost, wherein the capital investment cost is determined by adding a cost of purchasing tire installation equipment and an inventory investment cost, wherein the inventory investment cost is calculated by dividing the projected tire sales by the inventory turn goal and multiplying by an average wholesale tire price associated with a carline.

However, the Examiner is taking official notice that it is old and well known to make various calculations and that the calculations would include such calculations such as capital investment cost. A company would do this sort of calculation to determine what the investment is for the product and to ensure they can afford to take on these new costs.

Therefore, from this teaching of Examiner's Official Notice, it would have been obvious to one skilled in the art at the time the invention to include in the system and method provided by the combination of Burris and Byrd with the basic calculations taught by the Examiner's Official Notice since these calculations are considered to be

Art Unit: 3689

basic calculations that all businesses perform to ensure that they are making a sound financial decision.

As per claim 9, the combination of Burris and Byrd teaches the above-enclosed invention, Burris does disclose making various calculations based on the information being gathered (Page 2, paragraph [0025]; discloses that the invention can forecast information such as future sales or projected sales). Byrd teaches tracking status of inventory (Page 5, under the status heading; teaches that inventory is tracked in various ways).

However the combination fails to explicitly disclose including the calculating of an inventory space requirement.

However, the Examiner is taking official notice that it is old and well known to make various calculations and that the calculations would include such calculations such as inventory space requirements. A company would do this sort of calculation to determine what the inventory space requirements are so they don't have goods they can't stock.

Therefore, from this teaching of Examiner's Official Notice, it would have been obvious to one skilled in the art at the time the invention to include in the system and method provided by the combination of Burris and Byrd with the basic calculations taught by the Examiner's Official Notice since these calculations are considered to be basic calculations that all businesses perform to ensure that they are making a sound financial decision and not taking on obligations they can't maintain.

As per claim 10, the combination of Burris and Byrd teaches the above-enclosed invention, Burris does disclose making various calculations based on the information being gathered (Page 2, paragraph [0025]; discloses that the invention can forecast information such as future sales or projected sales).

However the combination fails to explicitly disclose including the calculating a cost of satisfying warranty claims wherein the cost is determined by multiplying a number of new annual car sales for a dealership by a warranty factor or number of warranty claims.

However, the Examiner is taking official notice that it is old and well known to make various calculations and that the calculations would include such calculations such as cost of satisfying warranty claims. A company would do this sort of calculation to determine what the cost of fulfilling warranties would be, given that the information is directed toward tires it is old and well know that tires come with warranties and thus would have a related cost associated with fulfilling those warranties.

Therefore, from this teaching of Examiner's Official Notice, it would have been obvious to one skilled in the art at the time the invention to include in the system and method provided by the combination of Burris and Byrd with the basic calculations taught by the Examiner's Official Notice since these calculations are considered to be basic calculations that all businesses perform to ensure that they are making a sound financial decision and not taking on obligations they can't maintain.

As per claim 11, the combination of Burris and Byrd teaches the above-enclosed invention, Burris does disclose making various calculations based on the

information being gathered (Page 2, paragraph [0025]; discloses that the invention can forecast information such as future sales or projected sales).

However the combination fails to explicitly disclose including the calculating a loyalty factor, wherein the loyalty factor is determined by dividing an annual tires sold by a loyalty variable.

However, the Examiner is taking official notice that it is old and well known to make various calculations and that the calculations would include such calculations such as a loyalty factor. A company would do this sort of calculation to determine what the loyalty of their customers would be based on how often they return to the service center for maintenance.

Therefore, from this teaching of Examiner's Official Notice, it would have been obvious to one skilled in the art at the time the invention to include in the system and method provided by the combination of Burris and Byrd with the basic calculations taught by the Examiner's Official Notice since these calculations are considered to be basic calculations that all businesses perform to ensure that they maintain a good relationship with their customers and ensure that they have future sales.

As per claim 16, the combination of Burris and Byrd teaches the above-enclosed invention, while Burris does disclose making various calculations based on the information being gathered (Page 2, paragraph [0025]; discloses that the invention can forecast information such as future sales or projected sales).

However fails to explicitly disclose wherein the cost associated with internally supplying new tires is calculated by multiplying a number of annual certified pre-owned

cars sold by a pre-owned car service goal and adding labor costs for replacing tires, and wherein the cost associated with outsourcing the replacement is calculated using an average retail tire price.

However, the Examiner is taking official notice that it is old and well known to make various calculations and that the calculations would include such calculations such as a comparison between in house costs and outsourcing a job. The details of this job would depend on the industry and the products being sold. A business dealing in tire resale would consider the number of possible tires they would have to replace as well as the cost of having them installed meaning how much they would have to pay workers. These calculations would have to be done simply to know if it is cost effective to offer this service while still maintaining a competitive cost for the service. It is often the procedure of a company to evaluate various options in order to discover the most cost effective and profitable solution.

Therefore, from this teaching of Examiner's Official Notice, it would have been obvious to one skilled in the art at the time the invention to include in the system and method provided by the combination of Burris and Byrd with the basic calculations taught by the Examiner's Official Notice since these calculations are considered to be basic calculations that all businesses perform to ensure that they maintain to evaluate various options in order to discover the most cost effective and profitable solution.

10. **Claim 26 is rejected under 35 U.S.C. 103(a) as being unpatentable over Burris et al. (US 2003/0208394 A1) hereafter Burris, in view of Byrd, further in view of Cooksville Tire - For Medium Truck Tires (May 23, 2003) hereafter Cooksville.**

As per claim 26, the combination of Burris and Byrd teaches the above-enclosed invention, but fails to explicitly disclose wherein the tire tread index for a carline (products that might need to be replaced) by measuring a tread depth for a plurality of cars in the carline, determining a number of the plurality of cars having a tire tread depth less than a tread depth threshold, and determining the tire tread index based on the number of cars having a tire tread depth less than the tread depth and the number of cars in the plurality of cars in the carline.

Cooksville, which talks about tire inspection, teaches wherein the tire tread index for a carline (products that might need to be replaced) by measuring a tread depth for a plurality of cars in the carline, determining if the tire needs to be replaced if it is below a threshold (Page 1, entitled Tire Inspection, paragraph 3; teaches that it is mandated by federal law that front axle truck tires on vehicles over 10,000lbs. gross vehicle weight must have at least 4/32" tread depth and that the tires are inspected to comply with that requirement thus it would have been obvious to one having ordinary skill in the art of tires that when selling tires it would be necessary to replace the tires at this point and this would suggest potential sales if the customer's tires are at this point).

Therefore, from this teaching of Cooksville, it would have been obvious to one skilled in the art at the time the invention to include in the system and method provided by the combination of Burris and Byrd, the determination of tread depth as taught by Cooksville, if the business was selling tires. Since it is a known value that after a certain point tires must be replaced, it would have been obvious that the method used by Burris and Byrd would take into consideration this information when calculating the predicted

sales since it would be valuable to know how many customers that need your products. That is to say when selling tires it key to know when you customers need to replace their tires, and when doing inspections it would have been obvious to do a tire tread depth inspection to determine if and when the tires will need to be replaced.

Response to Arguments

11. Applicant's arguments filed October 26, 2009 have been fully considered but they are not persuasive.
12. In response to the applicant's argument that, "it is now clear that the data that is collected is used in calculating the maximum expected number, which is then used in determining a tire sales goal. The tire sales goal is then used in calculating the projected tire sales for the automotive service center, as recited in the preamble," the Examiner respectfully disagrees. The Examiner asserts that the sales goal is based on the maximum but the maximum is not used to determine it. That is to say one of ordinary skill in the art would recognize that the system calculates maximum sales and then the sales goal is chosen by picking any number between zero and the maximum. There is no guidance as to how this is chosen only that it has a maximum. The rejection is therefore maintained.
13. In response to the applicant's argument that, claims 3 and 13 are now definite. The Examiner respectfully disagrees as shown above in the 112 rejection. Claims 3 and 13 introduce new data but don't explain how it changes the limitations mentioned in the associated independent claims. Further it does not disclose how these variables are

used in the calculation only that they are in the calculation. Thus the rejections have been maintained.

14. In response to the applicant's argument that, claims 6, 8, 15 and 17 are now definite. The Examiner respectfully disagrees as shown above in the 112 rejection. Claims 6, 8 15 and 17, introduce known calculations but fail to describe how these calculations tie to the previous limitations of the independent claims. Further it does not disclose how these variables are used in the calculation only that they are in the calculation. Thus the rejections have been maintained.

15. In response to the applicants argument that, claims 10 and 11 are definite and that the terms "warranty factor" and "loyalty variable" are found in paragraphs [0065] and [0068] respectively. The Examiner respectfully disagrees. As stated above these paragraphs fails to state any mention of a "warranty factor" or a "loyalty variable", and thus would not lead one of ordinary skill in the art to understand its meaning. Therefore the rejections are maintained.

16. In response to the applicant's argument that, "Burris in combination with Byrd fails to teach or suggest the detailed steps of calculating a maximum expected number of tires to be sold for each carline per period, where calculating the number involves multiplying an average number of repair order requests per time period by the number of days the service center is open per time period multiplied by four multiplied by a tire tread index," the Examiner respectfully disagrees. As shown above Burris discloses that future sales are projected and when combined with Byrd the references disclose then when calculating projected future sales it is important to know the average sales in an

Art Unit: 3689

order period which is the number of sales or in this case repair order requests in a given time period so this would be the number of sales transactions multiplied by the sales of each transaction multiplied by a time period also factoring in a safety quantity in this case would be the percentage of customers who need to have their products replaced, as shown above this is known by the tire tread index. From this it is shown that the references when combined do in fact read over the claims as currently written and do multiple the same factors. The Examiner also asserts that the calculations are known in business and the type of business is non-functional since the calculations would be done the same way regardless of what the product is. Therefore the rejections have been maintained.

17. In response to the applicant's argument that, the rejection "of claim 1 should be withdrawn because the cited references fail to teach the very specific tire tread index recited in the calculating a maximum expected number step," the Examiner respectfully disagrees. The tire tread index is nothing more than a percentage and is not calculated in claim 1. this percentage can be seen in the dependent claims 4 and 5, which clearly show the tire tread index as nothing more than a percentage. Since the calculation takes in account for a risk aversion it is clear that a percentage is taken into consideration, and the references do read over the claims as currently written.

18. In response to the applicant's argument that, "that this hypothetical is not substantial evidence as is required for fact finding under the Administrative Procedures Act. It is respectfully submitted that this scenario is not a well-known fact capable of instant and unquestionable demonstration that is eligible for an official notice, as

evidence by the "could" language in the hypothetical. Because this scenario is not supported by substantial evidence and is not eligible for entry into the record by official notice, it is respectfully requested that the hypothetical be withdrawn from the record. Because the office action relies on improper evidence in finding the claims obvious, it is respectfully requested that the §103 rejection of claim 1 be withdrawn," the Examiner respectfully disagrees. The hypothetical mentioned on page 11, was for the purpose of explaining why the language was considered to be non-functional it was not relied upon in the rejection, rather it was used to help the applicant understand why the language itself is considered to be non-functional. The Examiner further notes that no official notice has been taken on claim 1 rather as stated above the hypothetical was used for clarification. For this reason the hypothetical will not be removed as requested and the rejections have been maintained.

19. In response to the applicant's argument that, "Similar features are recited in independent claim 12, and similar portions of the references are cited in referencing the similar features. Thus, it is respectfully requested that the §103 rejection of claim 12 be withdrawn for similar reasoning as offered for claim 1," the Examiner respectfully disagree. Claim 12 has been rejected upon similar grounds as claim one and the rejection has been maintained for the same reasons as recited for claim 1, see above.

20. In response to the applicant's argument that, "claims 4, 5, and 14 recite specific ranges that the office action ignores as being non-functional descriptive material. It is respectfully submitted that the office cannot properly ignore recited ranges in this manner," the Examiner respectfully disagrees. The recited ranges fail to change or alter

the steps of the method or any structural elements in anyway. Unlike other ranges which could potential alter the structure of the system or a particular component these ranges are merely percentage used in a calculation. It does not change the method in anyway, that is to say the calculation would be carried out the same way regardless of what the percentage is. Therefore the Examiner asserts that these ranges fail to alter the method in anyway and are therefore considered non-functional. The rejections are therefore maintained.

21. In response to the applicant's argument that, "These hypotheticals include language such as "could" and "would" that clearly identify these statements as not being statements of incontrovertible facts. Because these statements are not proper taking of official notice nor are substantial evidence upon which to base a § 103 rejection, it is respectfully requested that the § 103 rejections of claims 3, 4, 5, 13, 15, and 16 be withdrawn for reliance on insufficient and improper evidence," the Examiner respectfully disagrees. As stated above in relation to claim 1, these hypothetical statements were made to clarify why the Examiner considers the limitation to be non-functional descriptive material. The Examiner further notes that no official notice has been taken on claim 1 rather as stated above the hypothetical was used for clarification. For this reason the hypothetical will not be removed as requested and the rejections have been maintained.

22. In response to the applicant's argument that, "While certain metrics may be known, claims 8, 10, 11, 16, and 17 provide detailed descriptions of how those metrics are generated, The office action includes little discussion about why the steps recited in

the claims for generating the recited metrics are known as incontrovertible facts. The fact that a metric exists does not mean that the recited steps for generating the metrics are known, especially when the metric may be generated in a myriad of different ways. Applicant submits that the recited steps for generating the metrics recited in the claims are not known and requests citations to substantial evidence, as required by the Administrative Procedures Act," the Examiner respectfully disagrees. However for purposes of expedited prosecution the Examiner cites

<http://www.fao.org/DOCREP/003/V8490E/V8490e05.htm> , which shows that the definition of capital investment "The total amount of money necessary to put a project into operation is known as "Capital investment costs". Clearly from this it to calculate the capital investment costs you must add all the costs together, just as recited in claim 8 and 17. Inventory investment cost as claimed by 8 and 17 are found on <http://www.effectiveinventory.com/article13.html> which clearly shows that the term is the exact definition found in the industry. From this it is clear that the only thing that changes in the claim are the names of the variables used in the formula. Since the applicant admits that the metrics are known and there is an industry known definition for how to calculate these metrics it is in fact old and well known to do so as stated in the Examiner's official notice. For claims 10 and 11, as stated above these terms are not clearly described in the applicant's specification, however for purposes of examination these terms are related to the costs of doing business such as the cost of satisfying warranties thus how much it would cost you if a percentage of cars had warranty issues. <http://www.moneyglossary.com/?w=Cost> shows that whenever calculating cost one

Art Unit: 3689

must calculate the total cost of money, time and resources and when centered around warranty claims this could be a factor or value as an average per car. Since the Examiner has no guidance as to what the factor is one of ordinary skill would have to assume it is average cost per car since it then multiplied by the number of cars. As shown by the definition this would be obvious and the factor merely is a name given to cost per item. As for the Loyalty factor this again is merely some factor multiplied by the number of products sold. <http://www.jimnovo.com/LTV.htm> shows that to calculate loyalty it known to see repeat business and to do this by multiplying the items by a percentage of customers who return. As for claim 16, the definition of cost again is clearly used adding all the labor costs associated for replacing tires for each car sold, using the average price of each tire. All of these calculations or metrics are industry standards and definitions and not generated with a myriad of different ways as suggested by the applicant. For this reason the rejections have been maintained since it is clear that these are all old and well known calculations and metrics that can be applied to any business. Further the applicant has provided no proof as to why the official notice that was given was wrong or incorrect.

23. A "traverse" is a denial of an opposing party's allegations of fact.¹ The Examiner respectfully submits that applicants' arguments and comments do not appear to traverse what Examiner regards as knowledge that would have been generally available to one of ordinary skill in the art at the time the invention was made. Even if one were to interpret applicants' arguments and comments as constituting a traverse, applicants'

¹ Definition of Traverse, Black's Law Dictionary, "In common law pleading, a traverse signifies a denial."

arguments and comments do not appear to constitute an adequate traverse because applicant has not specifically pointed out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. 27 CFR 1.104(d)(2), MPEP 707.07(a). An adequate traverse must contain adequate information or argument to create on its face a reasonable doubt regarding the circumstances justifying Examiner's notice of what is well known to one of ordinary skill in the art. In re Boon, 439 F.2d 724, 728, 169 USPQ 231, 234 (CCPA1971).

If applicant does not seasonably traverse the well known statement during examination, then the object of the well known statement is taken to be admitted prior art. In re Chevenard, 139 F.2d 71, 60 USPQ 239 (CCPA 1943). MPEP 2144.03 Reliance on Common Knowledge in the Art or "Well Known" Prior Art. In view of applicant's failure to adequately traverse official notice, the following are admitted prior art::

That it is old and well know to calculate and use capital investment cost and inventory investment cost. That it is old and well known to determine the cost of a warranty, and to determine the number of repeat customers as a loyalty factor for a product or service. And finally that when determining the cost of a good or product to add up all the costs for the service and multiply it by the number of times the service is performed.

24. Applicant's arguments with respect to claim 26 have been considered but are moot in view of the new ground(s) of rejection.
25. All rejections made towards the dependent claims are maintained due to the lack of a reply by the applicant in regards to distinctly and specifically pointing out the supposed errors in the Examiner's action in the prior Office Action (37 CFR 1.111). The Examiner asserts that the applicant only argues that the dependent claims should be allowable because the independent claims are unobvious and unpatentable over Burris, in view of Byrd.

Conclusion

26. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.
27. Fisheries and Aquaculture Department, "Economic engineering applied to the fishery industry – 3. Capital investments costs" FAO Corporate Document Repository.
<http://www.fao.org/DOCREP/003/V8490E/V8490e05.htm>, 1/2/2010.

This reference shows in detail that the term "Capital Investments Costs" is an industry standard and have with it a standard definition of how they are calculated and used.

28. EIM, "Calculating Your Target Inventory Investment"
<http://www.effectiveinventory.com/article13.html>, 1/2/2010.

This reference shows in detail that the term "Inventory Investment Costs" is a industry standard and have with it a standard definition of how they are calculated and used.

29. LTV, "Turning Customer Data into Profits with a Spreadsheet",
<http://www.jimnovo.com/LTV.htm>, 1/2/2010.

This reference shows in detail that the term "Loyalty Factor" is an industry standard and have with it a standard definition of how they are calculated and used.

1. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to PAUL R. FISHER whose telephone number is (571)270-5097. The examiner can normally be reached on Mon/Fri [8am/4:30pm].

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Janice Mooneyham can be reached on (571)272-6805. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

PRF

/Dennis Ruhl/

Primary Examiner, Art Unit 3689